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DECARBONIZING CALIFORNIA EQUITABLY

Centering Tenants in SB48

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Strategic Actions for a Just Economy (SAJE)



- Founded in 1996 in South Los Angeles
- Community organizing + policy campaigns
- Mission to advance tenant rights, healthy housing, and equitable land use

Centering Renters in Decarbonization

- Almost half (45%) of households in CA are renter-occupied
- 17M renters in the state
- Over half (53.4%) of all renters are rent-burdened and over a quarter are severely rent-burdened
- Eviction lead to houselessness (172K unhoused in CA).
- Shortfall of 1.3 million affordable homes



Renters have lots to gain, but face many obstacles

- Renters more likely to live in old, energy inefficient housing
- Suffer high energy burdens
- Limited decision-making over home modifications
 - Inability to reduce energy burden
 - Lack of access to solar, subsidy programs

Benefits:

- Healthier, climate resilient homes
- Lower energy bills

Challenges:

- Unintended consequences
- Inadequate tenant protections



Highlights from Focus Groups

Commissioned by the Climate Emergency Mobilization Office

“If he is going to install an appliance in the house, and it’s worth \$5,000, he is going to want me to pay \$2,500, which is not feasible for me. This is what they did here. They installed pipes underneath and each tenant had to pay \$500 and there are 30 tenants here.” - Betty



Landscape of Tenant Protections



LOCAL RSO TENANTS

Tenants are protected by rent-control measures implemented at the local level.



AB 1482 TENANTS

Tenants are protected by regulations established at the state level that set limitations on rent increases and evictions.



EXEMPT TENANTS

Tenants in buildings fewer than 15 years old as well as of other exempted properties are not protected.

Local Ordinances

Rent control ordinances may include provisions such as:

- Limitations on rent increases
- Just-cause eviction protections
- Allowable no-fault evictions

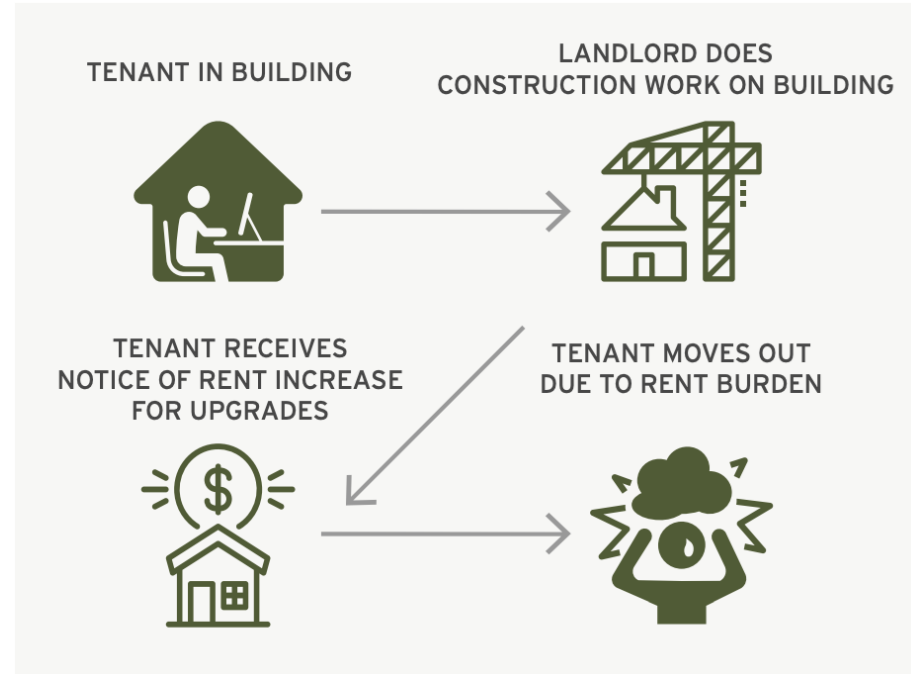
Often apply only to buildings constructed before the 1980s or 90s, **leaving newer properties exempt.** (Costa Hawkins Act)

Approximately 30 cities in California have rent stabilization ordinances.



Rent increases for building upgrades are allowed

- Allowable rent raises for capital improvements such as electrical panel upgrades and new appliances
- **Examples:**
 - **Los Angeles** – up to 100% of costs
 - **San Francisco** – 100% of costs
 - **Oakland** — up to 70% of costs
 - **Los Gatos** -- up to 100% of the cost
 - **San Jose** – specific capital improvements for energy conservation, increase of 3%



Illegal evictions are common

- **Illegal eviction:** when landlords use harassment or other conduct to drive rent stabilized tenants to move out.
- 4 illegal evictions per 1 legal eviction (500K evictions a year)



Construction-as-Harassment

- The unethical practice of using construction work to drive tenants out of their homes by making living conditions uncomfortable, loud, or dangerous
- Construction noise, dust, and hazards may make living conditions so unbearable and harmful to health and safety that tenants feel pressured to leave voluntarily



Construction as Harassment in Los Angeles

- 14-unit building, purchased for \$6,500,000 in 2021 by corporate-owner with 140+ properties
- Immediately took away parking, created divisions between tenants, started doing construction 8-5pm Mon-Sat that created plumbing issues, hot water shutoffs, dust and debris
- Construction was unpermitted
- Tenants were told it was for Seismic Retrofit Work, but owner included facade upgrades and renovation to vacant units
- 3/4 tenants moved out

“We will remove ACs and start construction in the summer and it’ll be so hot that they’ll move.”



Photo credit: Compass Real Estate

California's Tenant Protection Act (AB1482)

- Applies to buildings constructed more than 15 years ago
- Exempts single family homes that are not corporate-owned and owner-occupied duplexes
- Establishes just cause protections
 - No fault evictions for **substantial remodel**
- Caps rent raises at up to 10% annually



AB 1482 TENANTS

Tenants are protected by regulations established at the state level that set limitations on rent increases and evictions.

Substantial Remodel Provision

Substantial Remodel Provision: A loophole in AB 1482 that permits landlords to evict tenants in order to renovate a unit or building.

The remodel qualifies as **substantial** if it:

- Requires permits
- Takes 30 days or more to complete
- Necessitates that tenants vacate the unit for their own safety

Renoviction for Electrical Panel Upgrade in San Pablo

Background:

- **Location:** 14-unit complex, built in 1967
- **Purchased:** 2019

Key events:

- **Rent Increase:** Tripled rent before serving eviction notices.
- **Tenant Pushback:** Eviction notices served after resistance to the rent hike.

Renovation Claims:

- Bathroom and kitchen remodeling
- Replacing unsafe appliances
- Eliminating mold and termites
- Fixing outdated wiring and plumbing
- **Electrical panel upgrade would require power to be shut off for 30+ days**



Photo credit: East Bay Times

Recommendations

Policy: Prevent rent burden and maintain

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Policy Goals	Policy Recommendations	Jurisdiction
Prevent rent burden and maintain affordability	Rent Stabilization Ordinances	Local
	Prohibit pass-through costs for work related to energy efficiency and electrification	Local
	Amend AB1482 to adjust rent caps to no more than 3%	State

Policy: Prevent evictions and keep people housed

Policy Goals	Policy Recommendations	Jurisdiction
Prevent evictions and keep people housed	Just Cause Eviction ordinances	City
	Close the substantial remodel loophole	City, State

Policy: Protect tenants from disruptive construction

Policy Goals	Policy Recommendations	Jurisdiction
Protect tenants from illegal construction and construction-as-harassment	Tenant Habitability Plans	City
	Penalties for Illegal Construction	City